



General Assembly

January Session, 2017

Raised Bill No. 7120

LCO No. 4199

* _____HB07120HED____031717_____*

Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

AN ACT CONCERNING POSTSECONDARY CAREER SCHOOLS.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subdivision (1) of section 10a-22a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2017*):

4 (1) "Private occupational school" means a postsecondary career
5 school operated by a person, board, association, partnership,
6 corporation, limited liability company or other entity offering or
7 advertising vocational instruction in any form or manner in any trade,
8 industrial, commercial, service, professional or other occupation for
9 any remuneration, consideration, reward or [promise] fee of whatever
10 nature, including, but not limited to, a hospital-based occupational
11 school, or any program, school or entity offering postsecondary
12 instruction in barbering or hairdressing. [, except "private occupational
13 school" shall] "Private occupational school" does not include (A)
14 instruction offered under public supervision and control, [;] (B)
15 instruction conducted by a firm or organization solely for the training
16 of its own employees or members, [; or] (C) instruction offered by a

17 school authorized by the General Assembly to confer degrees, or (D)
18 instruction offered in the arts or recreation, including, but not limited
19 to, the training of students to provide such instruction;

20 Sec. 2. Subsection (c) of section 10a-22b of the general statutes is
21 repealed and the following is substituted in lieu thereof (*Effective July*
22 *1, 2017*):

23 (c) Each person, board, association, partnership, corporation, limited
24 liability company or other entity which seeks to offer occupational
25 instruction shall submit to the executive director, or the executive
26 director's designee, in such manner as the executive director, or the
27 executive director's designee, prescribes, an application for a certificate
28 of authorization which includes, but need not be limited to, (1) the
29 proposed name of the school; (2) ownership and organization of the
30 school including the names and addresses of all principals, officers,
31 members and directors; (3) names and addresses of all stockholders of
32 the school, except for applicants which are listed on a national
33 securities exchange; (4) addresses of any building or premises on
34 which the school will be located; (5) description of the occupational
35 instruction to be offered; (6) the proposed student enrollment
36 agreement, which includes for each program of occupational
37 instruction offered a description, in plain language, of any
38 requirements for employment in such occupation or barriers to such
39 employment pursuant to state law or regulations; (7) the proposed
40 school catalog, which includes for each program of occupational
41 instruction offered a description of any requirements for employment
42 in such occupation or barriers to such employment pursuant to state
43 law or regulations; (8) financial statements detailing the financial
44 condition of the school pursuant to subsection (d) of this section and
45 subsection (g) of section 10a-22d, as amended by this act, prepared by
46 management and reviewed or audited, or, for a nonaccredited school
47 [offering instruction in barbering or hairdressing and] annually
48 enrolling fewer than ten students, compiled, by an independent
49 licensed certified public accountant or independent licensed public

50 accountant; and (9) an agent for service of process. Each application for
51 initial authorization shall be accompanied by a nonrefundable
52 application fee made payable to the private occupational school
53 student protection account in the amount of two thousand dollars for
54 the private occupational school and two hundred dollars for each
55 branch of a private occupational school in this state.

56 Sec. 3. Subsection (i) of section 10a-22b of the general statutes is
57 repealed and the following is substituted in lieu thereof (*Effective July*
58 *1, 2017*):

59 (i) Any program, school or other entity offering postsecondary
60 career instruction in any form or manner in barbering or hairdressing
61 for any remuneration, consideration, reward or [promise] fee shall
62 obtain a certificate of authorization from the executive director of the
63 Office of Higher Education for the occupational instruction offered.
64 Each program, school or entity approved on or before July 1, 2013, by
65 the Connecticut Examining Board for Barbers, Hairdressers and
66 Cosmeticians pursuant to chapter 368 or 387 that submits an
67 application for initial authorization shall pay an application fee of five
68 hundred dollars made payable to the private occupational school
69 student protection account. The executive director of the Office of
70 Higher Education shall develop a process for prioritizing the
71 authorization of such barber and hairdressing programs, schools and
72 entities. Such programs, schools and entities shall be in compliance
73 with this section on or before July 1, 2015, or when required pursuant
74 to the executive director's process, whichever is earlier. No person,
75 board, association, partnership corporation, limited liability company
76 or other entity shall establish a new program, school or other entity
77 that offers instruction in any form or manner in barbering or
78 hairdressing on or after July 1, 2013, unless such person, board,
79 association, partnership, corporation, limited liability company or
80 other entity first receives from the executive director of the Office of
81 Higher Education a certificate authorizing the barbering or
82 hairdressing occupational instruction to be offered in accordance with

83 the provisions of this section.

84 Sec. 4. Subsection (g) of section 10a-22d of the general statutes is
85 repealed and the following is substituted in lieu thereof (*Effective July*
86 *1, 2017*):

87 (g) Each private occupational school shall keep financial records in
88 conformity with generally accepted accounting principles. An annual
89 financial statement detailing the financial status of the school shall be
90 prepared by school management and reviewed or audited, or, for a
91 nonaccredited school [offering instruction in barbering or hairdressing
92 and] annually enrolling fewer than ten students, compiled, by a
93 licensed certified public accountant or licensed public accountant in
94 accordance with standards established by the American Institute of
95 Certified Public Accountants. A copy of such financial statement shall
96 be filed with the executive director on or before the last day of the
97 fourth month following the end of the school's fiscal year, except in the
98 case of a nationally accredited school recognized by the United States
99 Department of Education, in which case such financial statement shall
100 be due on or before the last day of the sixth month following the end of
101 the school's fiscal year. Only audited financial statements shall be
102 accepted from a nationally accredited school. Upon a nonaccredited
103 school's written request, the executive director may authorize, for good
104 cause shown, a filing extension for a period not to exceed sixty days.
105 No filing extensions shall be granted to a nationally accredited school.

106 Sec. 5. Section 10a-22n of the general statutes is repealed and the
107 following is substituted in lieu thereof (*Effective July 1, 2017*):

108 (a) A private occupational school shall maintain, preserve and
109 protect, in a manner approved by the executive director, or the
110 executive director's designee, all school records including, but not
111 limited to: (1) Student or academic transcripts, including, in a separate
112 file, a duplicate copy of the academic transcript of each student who
113 graduated from such school, and a duplicate copy of the academic
114 transcript of each student enrolled at such school that contains the

115 student's name, address, program of study, length of such program of
 116 study, grade point average and courses completed; (2) attendance
 117 records or other indicators of student progress; (3) copies of individual
 118 enrollment agreements or contracts; (4) evidence of tuition payments;
 119 and (5) any other documentation as prescribed by the executive
 120 director.

121 (b) The executive director, or the executive director's designee, may
 122 at any time during regular business or school hours, with or without
 123 notice, visit a private occupational school. During such visitation, the
 124 executive director, or the executive director's designee, may request an
 125 officer or director of the school to produce, and shall be provided with
 126 immediate access to, such records or information as are required to
 127 verify that the school continues to meet the conditions of
 128 authorization. If the executive director determines that such private
 129 occupational school has not maintained, preserved or protected school
 130 records in accordance with this section, the executive director may
 131 assess an administrative penalty on such private occupational school
 132 pursuant to section 10a-22i.

133 (c) If a school ceases to operate as a private occupational school, it
 134 shall (1) immediately transmit all student or academic transcripts,
 135 described in subdivision (1) of subsection (a) of this section, to the
 136 executive director, and (2) keep the executive director advised in
 137 writing as to the location and availability of all other student records
 138 or shall file all such other student records with the executive director.

139 (d) The executive director shall maintain all records, files and other
 140 documents associated with private occupational schools in a manner
 141 consistent with the mission and responsibilities of the Office of Higher
 142 Education.

143 Sec. 6. Section 10a-22v of the general statutes is repealed and the
 144 following is substituted in lieu thereof (*Effective July 1, 2017*):

145 Any student enrolled in a private occupational school authorized in

146 accordance with the provisions of sections 10a-22a to 10a-22o,
 147 inclusive, as amended by this act, who is unable to complete [a] an
 148 approved course or unit of instruction at such school because of the
 149 insolvency or cessation of operation of the school and who has paid
 150 tuition for such course or unit of instruction, may, not later than two
 151 years after the date on which such school became insolvent or ceased
 152 operations, make application to the executive director for a refund of
 153 tuition from the account established pursuant to section 10a-22u to the
 154 extent that such account exists or has reached the level necessary to
 155 pay outstanding approved claims, except that in the case of distance
 156 learning and correspondence schools authorized in accordance with
 157 the provisions of sections 10a-22a to 10a-22o, inclusive, as amended by
 158 this act, only Connecticut residents enrolled in such schools may be
 159 eligible for such refund. Upon such application, the executive director
 160 shall determine whether the applicant is unable to complete a course
 161 or unit of instruction because of the insolvency or cessation of
 162 operation of the school to which tuition has been paid. The executive
 163 director may summon by subpoena any person, records or documents
 164 pertinent to the making of a determination regarding insolvency or
 165 cessation of operation. For the purpose of making any tuition refund
 166 pursuant to this section, a school shall be deemed to have ceased
 167 operation whenever it has failed to complete a course or unit of
 168 instruction for which the student has paid a tuition fee and, as a result,
 169 the school's authorization has been revoked pursuant to section 10a-
 170 22f. If the executive director finds that the applicant is entitled to a
 171 refund of tuition because of the insolvency or cessation of operation of
 172 the school, the executive director shall determine the amount of an
 173 appropriate refund which shall be equal to [or a portion of] the tuition
 174 paid for the uncompleted course or unit of instruction. Thereafter the
 175 executive director shall direct the State Treasurer to pay, per order of
 176 the Comptroller, the refund to the applicant or persons, agencies or
 177 organizations indicated by the applicant who have paid tuition on the
 178 student's behalf. If the student is a minor, payment shall be made to
 179 the student's parent, parents or legal guardian. In no event shall a
 180 refund be made from the student protection account for any financial

181 aid provided to or on behalf of any student in accordance with the
 182 provisions of Title IV, Part B of the Higher Education Act of 1965, as
 183 amended from time to time. Each recipient of a tuition refund made in
 184 accordance with the provisions of this section shall assign all rights to
 185 the state of any action against the school or its owner or owners for
 186 tuition amounts reimbursed pursuant to this section. Upon such
 187 assignment, the state may take appropriate action against the school or
 188 its owner or owners in order to reimburse the student protection
 189 account for any expenses or claims that are paid from the account and
 190 to reimburse the state for the reasonable and necessary expenses in
 191 undertaking such action. Any student who falsifies information on an
 192 application for tuition reimbursement shall lose his or her right to any
 193 refund from the account.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2017</i>	10a-22a(1)
Sec. 2	<i>July 1, 2017</i>	10a-22b(c)
Sec. 3	<i>July 1, 2017</i>	10a-22b(i)
Sec. 4	<i>July 1, 2017</i>	10a-22d(g)
Sec. 5	<i>July 1, 2017</i>	10a-22n
Sec. 6	<i>July 1, 2017</i>	10a-22v

HED *Joint Favorable*